

**THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO *et al.*,

Debtors.¹

PROMESA Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17 BK 3567-LTS

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's Federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 04780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

**OBJECTION OF ASSURED GUARANTY CORP.
AND ASSURED GUARANTY MUNICIPAL CORP. TO MOTION OF THE
HTA INSURED BONDHOLDER GROUP SUBMITTING EXHIBIT LIST IN
CONNECTION WITH CONFIRMATION OF HTA PLAN OF ADJUSTMENT**

Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (together, “Assured”) hereby submit this Objection to the *Motion of the HTA Insured Bondholder Group Submitting Exhibit List in Connection with Confirmation of the HTA Plan of Adjustment*, ECF No. 21619² (the “**Bondholder Group Exhibit List**”) and respectfully state as follows:

PRELIMINARY STATEMENT

1. On July 27, 2022, certain holders of HTA bonds insured by Assured³ filed (1) an untimely *Limited Objection of the HTA Insured Bondholder Group to the Third Amended Title III Plan of Adjustment of the Puerto Rico Highways and Transportation Authority* [ECF No. 21617 in Case No. 17-BK-3283; ECF No. 1301 in Case No. 17-BK-3567] (the “**Bondholder Group Objection**”) and (2) the Bondholder Group Exhibit List related to the HTA confirmation hearing. The Bondholder Group Exhibit List contains one proposed exhibit, a copy of a Puerto Rico Highways and Transportation Authority Official Statement, dated February 15, 2007 (the “**Official Statement**”). Assured objects to the Bondholder Group Exhibit List. The Bondholder Group Objection was filed after the objection deadline had passed. This renders the Bondholder Group Exhibit List moot since untimely filed confirmation objections will not be considered by the Court. Assured respectfully submits that the Court should confirm that the Bondholder Group Objection

² “ECF No.” refers to documents filed in Case No. 17-BK-3283, unless otherwise noted. The Bondholder Exhibit List was also filed as ECF No. 1303 in Case No. 17-BK-3567.

³ These bondholders were Franklin Advisors, Inc. and Nuveen Asset Management (collectively, the “**Insured Bondholder Group**”).

is deemed overruled and deny consideration of the exhibit contained in the Bondholder Group Exhibit List at the HTA confirmation hearing.⁴

I. THE BONDHOLDER GROUP EXHIBIT LIST IS MOOT AS THE BONDHOLDER GROUP OBJECTION WAS UNTIMELY FILED

2. On June 22, 2022, this Court entered an Order unambiguously setting forth certain deadlines with respect to the HTA Plan confirmation proceedings.⁵ Paragraph 23 of the publicly filed Order made clear that “any Confirmation Objections must...be filed...and served so that such objections...are actually received by no later than **5:00 p.m. (Atlantic Standard Time) on July 27, 2022**”⁶ Paragraph 24 of the Order further provided that “Confirmation Objections that are not timely filed, served and actually received in the manner set forth above shall not be considered and shall be deemed overruled.”⁷ The Court’s language, including the word “shall”, is mandatory in nature and suggests no flexibility. Rather, the Order on its face states in Paragraph 52 that “the terms and conditions of this Order shall be immediately effective and enforceable upon its entry”.⁸

3. The Bondholder Group Exhibit List should be rejected as moot. The Insured Bondholder Group has long been on notice of the matters it now raises in the Bondholder Group Objection. Such matters have been disclosed for months in the various filed proposed HTA Plans

⁴ To the extent the Court grants such relief, Assured will promptly withdraw the Exhibit Lists it previously filed in response to the Bondholder Group Objection. See ECF Nos. 21608 and 21667.

⁵ See *Order (I) Approving Disclosure Statement, (II) Fixing Voting Record Date, (III) Approving Confirmation Hearing Notice and Confirmation Schedule, (IV) Approving Solicitation Packages and Distribution Procedures, (V) Approving Forms of Ballots, and Voting and Election Procedures, (VI) Approving Notice of Non-Voting Status, (VII) Fixing Voting, Election, and Confirmation Deadlines, and (VIII) Approving Vote Tabulation Procedures* (the “**HTA Confirmation Procedures Order**” or the “**Order**”) [ECF No. 21293].

⁶ *Id.* at ¶ 22.

⁷ *Id.* at ¶ 23.

⁸ *Id.* at ¶ 52.

and corresponding Disclosure Statements. Moreover, each of the issues raised concerns matters that were at the heart of the treatment of insured bonds relating to the Commonwealth, PBA, CCDA, PRIFA and COFINA and approved in such prior confirmation or Title VI proceedings. Despite such notice, and notice of the objection deadline, the Bondholder Group Objection indisputably was filed after the HTA confirmation objection deadline. *See* ECF No 1301 in Case No. 17-BK-3567 (filing noted at 6:33 P.M. on July 27, 2022) and ECF No. 21617 in Case No. 17-BK-3283 (filing noted at 6:30 P.M. on July 27, 2022). Pursuant to the terms of the HTA Confirmation Procedures Order, the Bondholder Group Objection is not to be considered and is to be deemed overruled. Without an objection to be considered, the Insured Bondholder Group's Exhibit List relating to that Objection is no longer needed and plainly moot.

4. Deadlines must mean something, especially when, as here, there is a specific judicial warning of the consequences of non-compliance, there was no effort to seek an extension either before, simultaneously with or after submission of the untimely objection, and there was no proffered explanation. Assured respectfully submits that the Court should confirm that the Bondholder Group Objection is deemed overruled and strike the mooted Bondholder Group Exhibit List (ECF No. 21619 in Case No. 17-BK-3283 and ECF No. 1303 in Case No. 17-BK-3567) related to such objection.

CONCLUSION

For the reasons set forth above, Assured respectfully requests that the Court (1) confirm that the Bondholder Group Objection has been deemed overruled, and (2) deny the Bondholder Group Exhibit List as evidence in the HTA Confirmation Hearing as moot.

Dated: August 1, 2022
New York, New York

CASELLAS ALCOVER & BURGOS P.S.C.

By: /s/ Heriberto Burgos Pérez

Heriberto Burgos Pérez
USDC-PR No. 204,809
Ricardo F. Casellas-Sánchez
USDC-PR No. 203,114
Diana Pérez-Seda
USDC-PR No. 232,014
P.O. Box 364924
San Juan, PR 00936-4924
Tel.: (787) 756-1400
Fax: (787) 756-1401
E-mail: hburgos@cabprlaw.com
rcasellas@cabprlaw.com
dperez@cabprlaw.com

*Counsel for Assured Guaranty Corp. and Assured
Guaranty Municipal Corp.*

**CADWALADER, WICKERSHAM &
TAFT LLP**

By: /s/ Howard R. Hawkins, Jr.

Howard R. Hawkins, Jr.*
Mark C. Ellenberg*
Casey J. Servais*
William J. Natbony*
Thomas J. Curtin*
200 Liberty Street
New York, New York 10281
Tel.: (212) 504-6000
Fax: (212) 406-6666
Email: howard.hawkins@cwt.com
mark.ellenberg@cwt.com
casey.servais@cwt.com
bill.natbony@cwt.com
thomas.curtin@cwt.com

* Admitted pro hac vice

*Counsel for Assured Guaranty Corp. and
Assured Guaranty Municipal Corp.*

CERTIFICATE OF SERVICE

I hereby certify that I filed this document electronically with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to all parties of record in the captioned case.

At New York, New York, the 1st day of August, 2022.

By: /s/ Howard R. Hawkins, Jr.
Howard R. Hawkins, Jr.*
* Admitted pro hac vice